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January 5, 2009

The Hon. Maria-Elena James.
Magistrate Judge of the U.S. District Court
Northern District of California
450 Golden Gate Avenue
San Francisco, CA 94102

Re: Harris et al v. Kiddie Kandids, Inc
USDC Case No.: C08-00852 (MEJ)

Dear Judge James,

On September 24, 2008, counsel and parties in the above matter attended a Settlement Conference before you. We were able to resolve the case and the key settlement terms were placed on the record. At the hearing, the Court agreed to waive the Preliminary Approval Hearing and to enter an order certifying the class for settlement purposes only. A Final Settlement Approval Hearing was set for January 22, 2009. Unfortunately, the parties require additional time to conclude closing matters and to provide class members adequate notice. Thus, the parties request that the Court continue the Final Settlement Approval hearing date from January 22nd to March 26, 2009.

The parties do not have a substantive dispute about any term or procedure of settlement. Rather, we have been in discussions with the proposed administrator over disbursements, which have caused some delay. We anticipate completing the Settlement Notice within the next 10 days, which will provide class members ample time to respond and for us to address any additional matters prior to a Final Settlement Approval. Thank you for your consideration of our request.

Very truly yours,

/s/

Jacqueline deSouza

cc. Randall Crane, counsel for Plaintiffs
Michael Adams, counsel for Plaintiffs

